

DEPARTMENT OF STATE
WASHINGTON



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September 27, 1951

Dear Max:

I have been reading your paper on the role of ORR in economic intelligence with pleasure and profit. I emerge with comments and conclusions which I transmit to you herewith.

First, perhaps I might as well rush in with a couple of minor criticisms. It may be worth commenting on even so subordinate a matter as presentation, though my remarks relate more to our own immediate management problems than to your situation. Under your I.A.4 you speak of the function of economic intelligence in helping policy makers to reduce possible threats and in suggesting appropriate measures. This wording gives me a slight frisson because I have always found it necessary to emphasize that the analyst should avoid recommendations and confine himself to exposition. The temptation to indulge in policy making is well-nigh irresistible. We therefore always phrase such thoughts in terms of discovering weaknesses and vulnerabilities, and estimating them so as to facilitate the policy makers' selection of means to reduce, etc. It all depends whether one is trying to overcome an essentially academic approach or an excessively activist approach. As I say, your problem may be different from mine and your phrasing chosen accordingly. It is a minor point.

Secondly, under your I.B.2, last sentence, you suggest concerning the border-line between economic and political intelligence that it is the purpose of the investigation rather than the discipline involved that determines whether intelligence is economic or political. This could have, but I know does not have, jurisdictional implications; I am not discussing it from that point of view. It is rather from the operating point of view that I feel puzzled. I am wondering why in this case you have endeavored to establish so sharp a line when much of your

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paper is devoted to striking balances between alternative or overlapping approaches and to pointing out the impossibility of single or simple selection. Is it not true, in short, that the answer to this particular problem of overlap between disciplines is rather in the field of joint action than in the device of allocation on the basis of production objective? From this point of view one could almost say, in stark terms, that if a project requires the services of an economist, it partakes of economic intelligence, and if it requires the services of both political and economic analysts, it can only be regarded as a mixed enterprise that requires joint action in the two fields of political and economic intelligence. I realize that you may have been thinking on a different plane in terms of broad functional responsibilities rather than specific project organization. If that is so, I suggest that the language is capable of being misinterpreted.

Now, on a less meager plane, I conclude that the time is at hand when we might profitably look into the problem of how our two organizations can best complement one another. You have evidently projected fairly clear lines of development for ORR and they are splendid. We have always anticipated that when you should have reached this stage, the time would be ripe for explicit discussion of our problem. There are certain pegs on which such discussion might hang. For example, you take up the universal question of the balance between long-range and immediate research. Is it possible that, as your organization settles down to production, we might plan to assist you in this problem by undertaking to focus your material and products upon the current and particular problems of our own department. In this way we should be capitalizing upon our close juxtaposition to the policy consumer and be relieving you of some proportion of the conflict between long projects and immediate requests. Secondly, I observe that your thinking in this paper runs without exception along functional lines; is it possible that we might contribute to the common effort an emphasis upon regional or national views? Thirdly, -- and not strictly within the scope of your paper -- I know that we have contributed to your Satellite studies certain sections, notably those on labor and standard of living. Does this imply that we should take responsibility for research ab initio in certain specific functional areas?

This would be a good moment for considering these problems. We are faced, as you know, with budgetary decisions which should be affected by any arrangements such as those I am proposing for discussion. Also, we are both recruiting in this very scarce

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field, and we should both benefit by any division of labor which would prevent our duplicating efforts of staffing or recruitment of inappropriate types of analysts.

If you feel that your planning now makes possible a discussion of this sort, we should be delighted to arrange for conversations in any way that seems suitable.

Sincerely yours,



Allan Evans
Director

Office of Intelligence Research

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